



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.lacounty.gov>

DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

October 19, 2006

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: David E. Janssen  
Chief Administrative Officer

**LOS ANGELES COUNTY HOMELESS PREVENTION INITIATIVE – WEINGART  
CENTER ASSOCIATION**

On June 26, 2006, on motion introduced by Mayor Antonovich and amended by Supervisor Yaroslavsky, your Board approved one-time funding in the amount of \$450,000 for the Weingart Center Association (Center) to ensure ongoing services to homeless individuals on Skid Row. Your Board also indicated their intent to provide an additional \$450,000 upon receipt of information concerning the origin of the Center's funding deficit.

On September 12, 2006, your Board delegated authority to my Office to fund the initial \$450,000. In addition, your Board requested that we provide a report within 30 days on the Center's current and potential future funding sources and the impact of these funding sources on the financial stability of the Center in Fiscal Year (FY) 2007-08.

On September 26, 2006, my staff met with the President and Chief Executive Officer of the Center and his finance staff regarding this request and explained what was needed in order to release the remaining funds.

Each Supervisor  
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On October 17, 2006, the Center provided an updated FY 2007-08 Forecast (Attachment I) that identifies a balanced budget. The Center also provided a letter which maps out the Center's fiscal strategies, signed by the Center's Board Chair David A. Fuhrman (Attachment II). The documents demonstrate that the Center has a strategic plan, already in action, to ensure they will not find themselves in the same fiscal crisis next year.

It is the recommendation of this Office that the second \$450,000 be released to the Center. Unless otherwise instructed by your Board, we will make the arrangements to release the funding in ten days.

If you have questions or require additional information, please contact me, or your staff may contact Kathy House at (213) 974-4129 or [khouse@cao.lacounty.gov](mailto:khouse@cao.lacounty.gov).

DEJ:LS  
KH:os

#### Attachments

c: John F. King, President and Chief Executive Officer  
Weingart Center Association

# **ATTACHMENT I**

**WEINGART CENTER ASSOCIATION**  
**FY 2007-2008 FORECAST**

| Description                        | ADOPTED FY 06-07<br>BUDGET | ADOPTED FY 06-07<br>REVISED BUDGET<br>WITH COUNTY<br>\$900,000 | FORECAST FY 07-08<br>BUDGET WITH YES &<br>CDC |
|------------------------------------|----------------------------|--|---|
| <b>REVENUE</b>                     |                            |  |   |
| TOTAL HOUSING REVENUE              | \$ 2,222,704               | \$ 2,216,034   | \$ 6,038,312                                  |
| TOTAL MEALS REVENUE                | \$ 785,860                 | \$ 782,172   | \$ 782,172                                    |
| TOTAL LEASE REVENUE                | \$ 540,161                 | \$ 565,601   | \$ 565,601                                    |
| TOTAL PRIVATE DONATIONS REVENUE    | \$ 1,214,700               | \$ 1,338,070   | \$ 1,380,983                                  |
| TOTAL GOVT GRANTS REVENUE          | \$ 2,388,631               | \$ 3,501,169   | \$ 2,782,901                                  |
| TOTAL PRIVATE GRANTS               | \$ 78,700                  | \$ 80,303  | \$ 100,303                                    |
| MISCELLANEOUS                      | \$ 66,200                  | \$ 66,200  | \$ 66,200                                     |
| <b>TOTAL REVENUE</b>               | <b>\$ 7,296,956</b>        | <b>\$ 8,549,549</b>  | <b>\$ 11,716,472</b>                          |
| <b>EXPENSES</b>                    |                            |  |   |
| TOTAL SALARY EXPENSE               | \$ 4,307,115               | \$ 4,353,650   | \$ 5,811,780                                  |
| TOTAL OVERTIME EXPENSE             | \$ 56,521                  | \$ 56,521  | \$ 58,217                                     |
| TOTAL PAYROLL RELATED TAXES, BENEF | \$ 852,352                 | \$ 874,352   | \$ 1,218,946                                  |
| TOTAL CONTRACT SERVICES            | \$ 808,312                 | \$ 865,712   | \$ 952,633                                    |
| TOTAL BUILDING RELATED COSTS       | \$ 538,587                 | \$ 613,489   | \$ 982,588                                    |
| TOTAL DIRECT CAFÉ EXPENSE          | \$ 346,416                 | \$ 346,416   | \$ 680,217                                    |
| TOTAL TELEPHONE EXPENSE            | \$ 84,744                  | \$ 77,312  | \$ 106,944                                    |
| TOTAL UTILITIES EXPENSE            | \$ 373,690                 | \$ 373,690   | \$ 410,351                                    |
| TOTAL OTHER EXPENSES               | \$ 146,006                 | \$ 188,465   | \$ 324,087                                    |
| TOTAL HUMAN RESOURCE RELATED       | \$ 92,190                  | \$ 92,190  | \$ 111,127                                    |
| TOTAL CLIENT RELATED EXPENSES      | \$ 51,305                  | \$ 165,592   | \$ 486,506                                    |
| TOTAL DEVELOPMENT RELATED EXPENSES | \$ 306,630                 | \$ 306,630   | \$ 315,829                                    |
| TOTAL MISCELLANEOUS EXPENSES       | \$ 233,450                 | \$ 235,530   | \$ 257,248                                    |
| <b>TOTAL EXPENSES</b>              | <b>\$ 8,197,318</b>        | <b>\$ 8,549,549</b>  | <b>\$ 11,716,472</b>                          |
| <b>NET INCOME OR (LOSS)</b>        | <b>\$ (900,362)</b>        | <b>\$ 0</b>  | <b>\$ (0)</b>                                 |

# **ATTACHMENT II**



October 13, 2006

L.A. County Board of Supervisors:

During 2004, the Board of Directors of Weingart Center Association created, in conjunction with the management of the Center, a strategic plan. This plan is reviewed constantly, to see how the center performs. One of the initiatives was to reduce the reliance on government-funded contracts, not by eliminating these contracts, but by increasing the private fund sources to improve our ratio from 75 % government, 25 % private to 50/50. To assist us in this endeavor, we recently hired three new staff members in the Development Department, including a new Vice President of Development and Community Relations and a Senior Director Major Gifts and Planned Giving. Our internal goal for the Department is \$2 million for the remainder of the current year.

I stress internal because we do not "fluff" our budget projection by expanding private donation to appear successful. That approach has a way of "coming home to roost."

One other initiative was to identify and develop a second site for WCA clients as low income housing. This venture will generate a positive impact on the cash flow for the Center. We are working closely with the City for assistance in the financing of this project. To date, we have considered two potential sites with full city backing. One was dropped and the second is still in the process. To this end, WCA has formed a wholly owned subsidiary, WCA Development Corporation, to facilitate construction, operation, management and, ultimately, ownership.

We work very closely with management in this process. We have increased the frequency of our regular Board meetings from quarterly to monthly to monitor our progress in correcting our fiscal position.

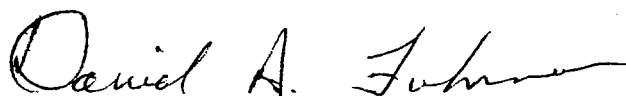
Needless to say your support by granting us \$900,000 will allow us to continue operating while we take these planned strategic moves:

1. Obtain new programs funded on a sound fiscal basis while reviewing those which don't cover current costs with the intent of replacing them when and where possible. To that end, we have 3 new programs in the pipe line. We have internal and external assistance in watching the internet releases of potential programs should we not get the three we are currently pursuing or should we lose one of the ten (10) existing programs we operate.
2. Insure the generation of private funds to supplement government programs. This has been addressed earlier with the addition of new staff and a healthy "internal" goal.

Long range, we feel the Center will obviously face challenges, but with your funding, we will be able to continue operating while new programs and new private funding are developed. We understand that your support is a one time only grant

We are confident that with your support and the addition of new programs, we can continue operating and serve the very needy population on Skid Row.

Thank you for your commitment to fund the Weingart Center at its own time of need.



David A. Fuhrman  
Board Chair

Date

10-13-06